increase falls on the workers. Now, the Joint Committee on Taxation assumes it is about 25 percent. Whatever doesn't fall on the backs of workers falls on shareholders. And then you need to remember that when it falls on shareholders, there are millions of middle-class Americans trying to accumulate a nest egg for retirement.

So, yes, when you hike taxes on small business from a top rate of 37 percent to over 46 percent—once including the Democrats' proposed surtaxes—you, President Biden, hit the middle class. When you increase taxes on corporations from 21 percent to 26.5 percent—returning our corporate tax rate to one of the highest in the developed world once figuring in State taxes as well—you, President Biden, also hit the middle class.

Yet, Democrats contend their proposal includes tax cuts for the middle class. More accurately, they cut taxes for a chosen group of middle and lower income Americans and a select few millionaires. Unlike the 2017 tax law that was passed by a Republican Senate that cuts taxes for the vast majority of the middle class, the Democrats' tax-and-spending bill leaves most—over 70 percent—of the taxpayers with either a goose egg or a tax hike.

The Democrats' tax bill is about picking winners and losers; it is not about sound tax policy. If you don't have the right family composition or spend your money how Democrats want, you don't get a tax cut, but you may get a tax increase. On the other hand, if you are wealthy and on a waiting list for a $69,000, all-electric, 2022 SUV, you are in store for a $12,500 tax credit—financed in part on the backs of the middle class. Moreover, if you are a multibillion-dollar company with a preexisting commitment to go net zero emissions by 2040, you are in for a multimillion-dollar tax windfall—once again, that tax windfall financed in part on the backs of the middle class.

So I hope the American people won't be fooled by my Democratic colleagues' rhetoric. Their bill hikes taxes on millions of taxpayers, and their narrowly targeted tax cut leaves most out in the cold.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Ms. LUMMIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. OSSOFF). Without objection, it is so ordered.

CENTRAL BANK DIGITAL CURRENCIES AND STABLECOINS

Ms. LUMMIS. Mr. President, the Federal Reserve Board of Governors will soon be releasing a discussion paper on a potential U.S. central bank digital currency. Additionally, the President's Working Group on Financial Markets is expected to release a set of recommendations relating to the supervision of stablecoins in the coming weeks. I want to lay out my views on central bank digital currencies and stablecoins in advance of these coming discussions.

Financial innovation has the potential to bring new prosperity to the next generation of Americans, reduce systemic risk, and promote inclusion for many who are, unfortunately, at the periphery of our financial system. America's leadership in global financial services is a heritage our country can rightly be proud of, but our country must not become complacent, because this leadership is a privilege, not a right.

I am supportive of the Federal Reserve Board's efforts to study how central bank digital currency, or CBDC, may be appropriate in the United States. I want to lay out what I believe are the key tenets of a consumer-focused U.S. central bank digital currency, including factors such as legitimate need, financial inclusion, programmability, privacy, and avoiding systemic risk. My comments are only focused on a consumer-focused central bank digital currency, as an interbank or wholesale central bank digital currency is a different proposition.

The first principle is legitimate need. A serious value proposition must exist in order to move forward with a central bank digital currency, one that cannot be reliably met by private-sector innovation.

It is important to note that the U.S. dollar is already digitized; that is, it has been reduced to electronic form. Most Americans predominantly use an electronic means of banking every day, and interbank settlement also takes place through electronic channels. These payment rails are generally electronic commercial bank money, however. A CBDC would be central bank money, which represents a direct claim on the Federal Reserve System.

So we must ask hard questions about whether there are other means of accomplishing the goals of a central bank digital currency and identify opportunities, risks, and costs.

The second is financial inclusion.

About 5.4 percent of households in the United States did not have a bank account as of 2019, with a further 18.7-percent of the population being underbanked. A CBDC should meaningfully reduce these statistics. A CBDC also has the potential to reduce the cost of payments for both depository institutions and consumers by removing existing frictions in sending money.

The programmability of a CBDC will also likely promote financial inclusion by giving consumers more control over their money, allowing those from disadvantaged backgrounds access to the latest technology features. This would allow consumers to automate the payment of bills, assist with monthly budgeting, reduce or eliminate overdraft fees, and most importantly, allow hard-working Americans to receive their paychecks earlier.

Some additional factors that must be considered as part of the inclusion are the reduction or elimination of minimum balance requirements, ease of access to a CBDC, and convertibility into physical cash.

Third is the concept of programmability. Money represents value, but it is not programmable today.

Programmability, at its core, is the technological means to specify the automated behavior or control logic of money in a manner that is tied to the actual value itself. Programmability focuses on the characteristics of money, including the identity of the owner, the amount of money being transferred, and the conditions under which the outside world can interact with that money.

A CBDC should contain robust programmability, allowing users to easily specify conditions with respect to that money, such as interest payments; payment versus payment, which is ''I only pay you if you pay me''; delivery versus payment, which is ''I give you a security or a commodity only if you pay me''; escrow, or preventing your child from buying ice cream except on Fridays; and, of course, avoiding overdraft fees.

A central bank digital currency should also be future-proofed, with a core code that can be adapted to fully meet future demands and which also contains room for value-added services built upon the CBDC architecture.

Fourth is the critical role of privacy. A CBDC must have the same level of privacy as physical cash today. Appropriate transactional anonymity is a public good. Americans must have confidence that a central bank digital currency is not being used for surveillance and that their personal financial data is either not being collected or is subject to rigorous technological and legal controls, including the Fourth Amendment to the U.S. Constitution. We cannot allow a CBDC to become a panopticon, or an all-seeing eye, as will soon be the case with China's central bank digital currency.

Fifth is avoiding systemic risk and disruption. A CBDC should not create systemic risk or undue disruption to the U.S. economy. Transitional arrangements for a CBDC may be necessary, and physical cash must remain legal tender as long as Americans desire it, with Congress's having the final say on the future of physical cash.

These are the five principles that I consider essential to any central bank digital currency proposal. Congress must have the ultimate say on whether the United States adopts a central bank digital currency. I encourage my colleagues to think deeply about these issues and to develop their own rubric for the future of money.

Finally, I want to say a few words about stablecoins in advance of the President's working group report that will be coming out shortly.

Stablecoins are a claim on commercial bank money or Treasurys or other securities that are freely tradeable on a distributed ledger or blockchain and that are intended to be redeemable at par for the U.S. dollar. Stablecoins are highly liquid and have higher monetary velocity than other forms of the U.S. dollar. Stablecoins also enable faster payments between individuals and businesses than are possible today.

For these reasons, stablecoins are a very important private-sector innovation that have the potential to promote financial inclusion and new market opportunities. However, stablecoins also present certain novel risks to the U.S. economy.

In particular, stablecoins must be 100 percent backed by cash and cash equivalents, and this should be audited regularly.

I am concerned that some stablecoins are not always fully backed by appropriate assets in a transparent manner. I am also concerned that some stablecoin designs could become a silo for high-quality liquid assets, including Treasurys, which have an important and independent role as collateral in capital markets.

Additionally, stablecoin issuers should comply with anti-money laundering and sanctions law and should exhibit a high degree of resiliency. This includes operational risk, cybersecurity and liquidity, and redemption management, consistent with the Federal Reserve's payment system risk policy.

Some issuers of stablecoins and stablecoin-like instruments, including Paxos and Avanti Bank and Trust, are already inside the regulatory parameter. Properly supervised, stablecoins are not tantamount to the so-called ''wildcat banks'' of the 19th century. It may be the case that stablecoins should only be issued by depository institutions or through money market funds or similar vehicles.

We must do more to ensure stablecoins are subject to right-sized regulations and supervision. But, at the same time, we must ensure that these rules enable innovation that can make payments faster, cheaper, and more inclusive. Properly supervised, stablecoins have an important role to play moving forward.

I look forward to continuing the conversation around financial innovation that we began a few months ago as we consider the future of money in our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

ENERGY

Mr. CASSIDY. Mr. President, the difference between medicine and politics—because I am a doctor—is that in medicine, you are forced to look at reality as reality is, whereas in politics we can make up reality. It is: Oh, my gosh, I want it to be this way; so let's assume that it is.

I think it is a time for, at least—one, I think it is always better to look at reality, but, particularly right now, let's talk about it as regards inflation.

Inflation is really hurting middle-income families. We are seeing higher prices in the grocery store, electricity bills, at the gasoline pump eating up their budgets.

President Biden has repeatedly said he would not raise taxes on those making less than $400,000 a year, but rising inflation as a result of his harmful economic and energy agenda is effectively a tax.

This is predictable. Democrats and left-of-center economists like Larry Summers warned about the risk of inflation and predicted a sharp rise in prices. He sounded the alarm at the $1.9 trillion American Rescue Plan. He said that could overheat the economy. It did.

This summer, used car prices were up 45 percent, gasoline 45 percent, whole milk 7.5 percent. American families are paying higher prices for goods and services that are essential, and it continues to go higher. The U.S. Department of Labor reported that consumer prices in June increased 5.4 percent relative to a year ago—the largest increase since August 2008, more than double the target rate of 2 percent the Federal Reserve establishes.

Now, President Biden and his administration, his Treasury Department, have reassured that this inflation is transitory or temporary.

Just last week, the Wall Street Journal reported that the Federal Reserve sees inflation ''lasting quite a while,'' given their recent and upcoming actions—so, if you will, belying the reassurances of the administration.

Looking particularly at energy, it is not surprising that electricity and gasoline prices are soaring, and the average price of gas has now gone over $3 a gallon since May. The national average is $3.19, $1 more per gallon than a year ago—now, again, predictable.

One of the first things President Biden did when he took office was to cancel the Keystone XL Pipeline, killing 11,000 jobs that went with it—by the way, not jobs for bureaucrats in Washington, DC, doing quite well during the pandemic because they continue to get paid, but jobs for construction workers who, if they don't have this job, don't have another job and have less ability to take care of their family and to better provide for their child's future.

He stopped domestic oil and gas leases and only does that which the court tells him he has to do.

Oddly, since he did all of this in the name of addressing issues of carbon emission, the administration then removed sanctions so that Russia can complete the construction of the Nord Stream 2 pipeline, going from Russia to Germany, and now is asking OPEC, which includes Iran, Venezuela, Saudi Arabia, to increase oil production so we can import their oil—so much for the energy independence our country, researchers, and companies worked so hard to develop.

And now we see with every draft of the Democrats' reckless tax-and-spend bill that the Democratic Party seems intent on driving prices higher, increasing our energy dependence on other countries, and hurting our domestic workforce. And I think, if we are going to go back to reality, the American people would ask not to describe these actions as being done for the good of the environment or the climate. I totally believe we must address climate, but the stark truth is that President Biden's energy policies prioritize shutting down domestic production and domestic jobs in favor of using dirtier Russian gas.

Why do I say dirtier? There is a National Lab that recently reported of natural gas produced in Louisiana and exported to Europe compared to gas coming to Europe from Russia, that over the 20-year horizon the carbon intensity is 43 percent less for gas that comes from the United States to Europe than from Russian gas coming to Europe, and 10 percent less over 100 years.

If you really cared about lowering greenhouse gas emissions, creating jobs for the American worker, and strengthening our economy and our national security, you would encourage the production of U.S. natural gas and ship it around the world, displacing that which was coming from countries such as Russia.

It seems as if the administration is more interested in virtue-signaling than truly pursuing a low-carbon solution, and I would love for someone to explain why the administration is so hell-bent on shutting down energy production in the United States, with the good-paying jobs and the economic opportunity, especially in Louisiana but not only in Louisiana. And it is done in a cleaner, more environmentally friendly way than in almost every other part of the Nation. It is as if they would rather the United States be dependent on foreign sources, those that are often not allies, than to produce energy cleanly, creating American jobs in the United States of America.

The United States is a global leader in decreasing greenhouse gas emissions entirely, almost, because of the increased production of U.S. natural gas.

As production increased and prices fell, natural gas replaced coal, so that now, off the top of my head, I think I know that, in absolute amounts, greenhouse gas emissions in the United States are less now than they were in 2004. And if not, they are almost there.

Our economy is a lot bigger, and we have a lot more people, and yet we have managed to hold greenhouse gas emissions at a declining rate because we produced natural gas.

We need to encourage exploration and production in our country. We should not be shutting it down, and we should not be shutting down the good jobs that go with it. The administration's backward and disastrous energy policy is playing out before our eyes. It